

**REMARKS**

This Application has been carefully reviewed in light of the Final Office Action mailed March 2, 1999. Applicant thanks the Examiner for conducting a telephonic interview on April 29, 1999 and further appreciates the Examiner's expressed willingness to call the undersigned attorney after he has had time to consider the patentability of the claims. Reconsideration and further examination of the patentability of the claims is respectfully requested. The claims remaining in the application are claims 1-11 and 13-30.

The claims have been amended to place them in better form for consideration on appeal. These amendments clarify what Applicant regards as his invention. Applicant respectfully requests the entry of the claim amendments.

All pending claims were again rejected under 35 U.S.C. 103(a) as being unpatentable over Duck in view of Foreman, et al. Applicant respectfully traverses.

As the Examiner knows, the Manual of Patent Examining Procedure states:

"To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure." In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

MPEP § 2143.

The Examiner asserts that the motivation for combining the Duck and Foreman references is found in both references, as well in the knowledge generally available to one of ordinary skill in the art. However, it is improper to combine references where the references teach away from their combination. In re Grasselli 713 F.2d 731, 743, 218 USPQ 769, 779 (Fed. Cir. 1983).

MPEP §2145.

Neither Duck nor Foreman suggest or teach that the references should be combined or how they should be modified. Furthermore, even provided that the Duck and Foreman combination is proper. Applicant respectfully submits that the Duck-Foreman combination does not disclose, suggest, or teach each limitation of the invention as claimed.

The Examiner has again asserted that it is proper to combine the two references because each reference teaches a method to prevent counterfeiting or altering a check even though this is not the motivation behind the present invention. Foreman includes the use of printing a *security font* directly on the check to "further avoid counterfeiting or altering of the money orders. (column 2, lines 15-21). However, Duck views the use of *labels* as a way to detect any attempt to alter the check. Duck states,

"should a counterfeiter attempt to place another payee label over the top of the completed check, the underlying payee portion is obvious to the bank and would be instantly "flagged" and reported to the proper authorities; alternatively, if the counterfeiter attempts to remove the label, the label will tear and disfigure the check rendering it void." (col. 3, ll. 24-31).

Therefore, Duck arguably *teaches away* from directly printing on the face of the check. The Duck-Foreman combination would yield a device which prints the information in a security font on labels, which are then removed from the label backing and adhered to the check. The Examiner views the combination as yielding Foreman's direct printing on the face of a check; but what is Duck's contribution to such a combination? To arrive at such a combination, the Examiner would have to entirely ignore the essence of Duck's teaching - printing on labels. Therefore, Applicant respectfully submits that the Duck-Foreman combination teaches away from the present invention and does not render the present invention obvious.

Further, Duck discloses a point-of-sale apparatus "composed essentially of a register (such as a cash register), label printer, and communication link therebetween". The label printer receives its data and instructions *from the register*. (col. 7, ll. 33-37, emphasis added). Duck's disclosed cash register comprises a keypad and display. (Fig. 6). This *cash*

*register* calculates the amount to be printed by the label encoder on the label that is to be placed on the check. Foreman discloses a money order dispenser having a control terminal with a keyboard for operating the dispenser. The control terminal is coupled to a printer, and may be coupled to a point of sale device (col. 5, ll. 21-25).

Even if it were proper to combine the Duck and Foreman references, this combination of Duck and Foreman does not teach, disclose, or suggest all of the limitations of claim 1.

Claim 1 is an automated system for encoding on the face of a check at a point-of-sale, comprising a point-of-sale register operable to determine a transaction amount; an input device coupled to the point-of-sale register and operable to receive the transaction amount and determine a check amount in response to receiving an input from a user; and a check encoder coupled to the point-of-sale register and the input device and operable to receive the check amount from the keypad and encode the check amount on a MICR line of the check.

As one example, the Duck-Foreman combination does not teach or suggest an automated system operable to receive the check amount and encode the check amount on the face of the check on a MICR line on the check. Applicant's invention envisions encoding the check amount on a check in at least three places. The first and second are typical check fields where a payor usually writes in the tendered amount, alphabetically and numerically. The third is an area that may be automatically read, and thus processed, by standard check processing methods. Such an area is a known and specific position on the check, such as the MICR line, whose location and format is determined by the current check processing standard used by banks to process checks. Today, the MICR line is both human-readable and readable by conventional MICR machines, and utilizes magnetic ink. Future standards for automatic check processing may incorporate other locations on a check. Such standards may also use encoding media other than magnetic ink, and/or other spectra, such as those in the infrared or ultraviolet regions.

Duck discloses printing bar codes on a label, which is then affixed to the check. (col. 6, ll. 3-12). Foreman does not teach or suggest printing any data on the MICR

line. The check amount, when encoded on a MICR line on a check, is advantageously readable by standard bank and check processing readers such as conventional MICR readers, as opposed to special readers to read the bar code. (Applicant's Specification, p. 8, ll. 17-20). Such encoding is also advantageous in that the check is human-readable and may be verified at the point of sale (Applicant's Specification, p. 9, ll. 11-13) compared with Duck's bar codes. Furthermore, such encoding also removes the additional, time-consuming step of deciphering and then encoding a handwritten transaction amount of the check during check processing. By removing this step, the inevitable human error introduced by the current conventional check processing methods is also removed.

For the above reasons, Applicant respectfully submits that Duck and Foreman fail to disclose, suggest or render obvious Applicant's invention as recited in claim 1. Claim 1 is therefore patentable, and Applicant respectfully requests allowance of claim 1.

For these and other reasons, claims 2-5 depending therefrom are also patentable over the art as combined. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection and allow claims 2-5.

The Examiner also rejected independent claim 6 over Duck in view of Foreman. Applicant respectfully traverses this rejection, in addition to the improper manner of combining the references as set forth above. Independent claim 6, as amended, recites:

A method for encoding checks at a point-of-sale, comprising the steps of determining a transaction amount; receiving an input from a user in response to the transaction amount and determining a check amount; receiving a check; encoding the check amount on the face of the check in a machine-readable format on a MICR line of the check; and issuing the encoded check.

Even if it is proper to combine these references, neither of these references teaches or suggests all the limitations of claim 6, as discussed above. For these and other reasons, Applicant respectfully submits that Duck and Foreman fail to disclose, suggest or render obvious Applicant's invention as recited in claim 6. Claim 6 is therefore patentable, and Applicant respectfully requests allowance of claim 6.

For these and other reasons, claims 7-11 depending therefrom are also patentable over the art as combined. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection and allow claims 7-11.

The Examiner rejected independent claim 13 over Duck in view of Foreman in the all-inclusive rejection of Claims 1-26. Applicant respectfully traverses this rejection, in addition to the improper manner of combining the references as set forth above. Independent claim 13 recites:

A method for encoding checks at a point-of-sale, comprising the steps of determining a transaction amount; receiving an input from a user in response to the transaction amount and determining a check amount; receiving a check; printing a payee name at a predetermined payee location on the check; printing a numeric check amount on a predetermined numeric check amount location on the check; printing the check amount in words on a predetermined word check amount location on the check; encoding the check amount on the face of the blank check in magnetic ink on a MICR line of the check; and issuing the encoded check.

It appears that the Examiner may have overlooked specific limitations in claim 13 when including claim 13 in a wholesale rejection of all the claims. For example, one claim limitation not addressed by the Examiner is "encoding the check amount on the face of the blank check in magnetic ink on a MICR line of the check; and issuing the encoded check". The Examiner asserted that the use of magnetic ink was disclosed in Duck. However, Duck discloses printing bar codes on a label, which is then affixed to the check. (col. 6, ll. 3-12). Such use of magnetic ink does not suggest or teach the use of magnetic ink to be *encoded on a MICR line of a check*, which may be read by standard bank and check processor readers such as conventional MICR readers, as opposed to special readers to read the bar code. (Applicant's Specification, p. 8, ll. 17-20). Such encoding is also advantageous in that the check is human-readable and may be verified at the point-of-sale, compared with Duck's bar code (Applicant's Specification, p. 9, ll. 11-13). Furthermore, such encoding also removes the additional, time-consuming step of deciphering and then encoding a handwritten transaction amount on the check during check processing. By removing this step, the inevitable human error introduced by the current conventional check processing system is also removed. In contrast, Duck does not teach or suggest, and arguably

teaches away from the use of magnetic ink encoding on a check that may be read by conventional MICR readers. Foreman does not teach or suggest printing any information in magnetic ink on the face of a check or a money order at any location. For this and other reasons, Applicant respectfully submits that the combination of Duck and Foreman fail to disclose, suggest or render obvious Applicant's invention as recited in claim 13. Claim 13 is therefore patentable, and Applicant respectfully requests allowance of claim 13.

For these and other reasons, claims 14-18 depending therefrom are also patentable over the art as combined. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection and allow claims 14-18.

The Examiner also rejected independent claim 19 over Duck in view of Foreman. Applicant respectfully traverses this rejection, in addition to the improper manner of combining the references as set forth above. Independent claim 19, as amended, recites:

A pocket-size personal check encoder, comprising a keypad having a plurality of alphanumeric keys operable to receive a check amount from a user; a display coupled to the keypad and operable to display the check amount entered by the user; and a check encoder coupled to the keypad and display operable to receive the check amount from the keypad and encode the check amount in a machine-readable format at a predetermined location on a check.

Even if it were proper to combine Duck and Foreman, the combination does not teach or suggest all the limitations of claim 19. The Examiner asserts that it would have been obvious to one of ordinary skill in the art to modify Duck's encoder so as to make it pocket-sized. The Examiner asserts that "this would have been done with the purpose of making the encoder portable so as to allow a sales clerk to carry such encoder around the store...." On the contrary, the present invention is intended to allow a *payor* or *purchaser* to conveniently make out and issue a check that has its check amount encoded on the check to enable easy check processing at the bank. Further, Duck nowhere discloses a *check encoder* that has a keypad and display. Instead, Duck discloses a *cash register* (or point-of-sale register) that has a keypad and a display, to be used with a *label encoder*. The label encoder has no keypad and display, and requires labels to be inserted therein for printing. Therefore,

Duck does not teach or suggest tucking the *register* in a user's pocket to use with the label encoder as a pocket-size personal check encoder of the present invention. Such an embodiment would also require carrying a set or roll of labels to be used with the separate label encoder and register. Both Duck and Foreman arguably teach away from such an invention, because both references require the employee to enter in a transaction amount to a keypad that is coupled to, or is part of, a point-of-sale register. Applicant's claimed invention does not require such coupling, and envisions that the invention is utilized by a *customer-payor*, as it can store frequent payee names and the balance. (Applicant's Specification, p. 9, ll. 2-4). Nowhere in Duck or Foreman is there a teaching or suggestion of the claimed device.

For the above reasons, Applicant respectfully submits that Duck and Foreman fail to disclose, suggest or render obvious Applicant's invention as recited in claim 19. Claim 19 is therefore patentable, and Applicant respectfully requests allowance of claim 19.

Claims 20-26 depend from and provide further limitations on independent claim 1. Therefore, for the reasons stated above, claims 20-26 are also patentable. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection and allow claims 20-26.

Claims 27-30 have been added to more particularly point out and distinctly claim what Applicant regards as his invention. Neither Duck nor Foreman suggest or disclose an automated system operable to receive the check amount and encode the check amount on the face of the check in a format and location readable by standard check processing equipment on the face of the check. Therefore, independent Claim 27 and Claims 28-30, which depend from and provide further limitation on Claim 27, are patentable over the cited references.

Although the Examiner has rejected various dependent claims as being rendered obvious by the Duck-Foreman combination, these rejections are moot in light of the above arguments. Applicant respectfully reserves the right to address these rejections should it become necessary in the future.

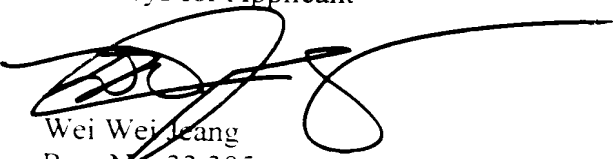
**CONCLUSION**

Applicant has made an earnest attempt to minimize the number of outstanding issues and place this case in better form for consideration on appeal. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests the entry of this Response and full allowance of claims 1-11 and 13-30.

In order to expedite the prosecution of this case, the undersigned attorney for Applicant invites the Examiner to call at the telephone number listed below if there is a need to clarify any outstanding issues.

Although no fees are believed due, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,  
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